



Virginia  
Regulatory  
Town Hall

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## Notice of Intended Regulatory Action (NOIRA) Agency Background Document

<b>Agency name</b>	Charitable Gaming Board
<b>Virginia Administrative Code (VAC) citation</b>	11VAC15-31
<b>Regulation title</b>	Supplier Regulations
<b>Action title</b>	Chapter 264 (2007 Acts of Assembly) added " <i>electronic games of chance systems for charitable gaming in the Commonwealth</i> ".
<b>Date this document prepared</b>	June 26, 2009

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 36 (2006) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Purpose

*Please describe the subject matter and intent of the planned regulatory action. Also include a brief explanation of the need for and the goals of the new or amended regulation.*

Notice is hereby given in accordance with §2.2-4007.01 of the Code of Virginia that the Charitable Gaming Board intends to consider amending 11VAC15-31, Supplier Regulations. Chapter 264 of the 2007 Acts of Assembly requires changes to the agency's gaming regulations. The agency has contracted with a vendor to provide guidance in developing these changes. The agency worked with the vendor to identify issues in the current rules and regulations that may be impacted by the implementation of electronic games of chance systems.

### Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.*

The Charitable Gaming Board has authority to promulgate and amend these regulations under sections 18.2-340.16 and 18.2-340.34 of the Code of Virginia.

### Need

*Please detail the specific reasons why the agency has determined that the proposed regulatory action is essential to protect the health, safety, or welfare of citizens. In addition, delineate any potential issues that may need to be addressed as the regulation is developed.*

Passage of HB 1998 (2007 General Assembly) added the following language to 18.2-340.34 – Suppliers of charitable gaming supplies; (A) ...and no manufacturer shall distribute electronic games of chance systems for charitable gaming in the Commonwealth”. (D) Each manufacturer of electronic games of chance systems shall document each distribution of such systems to a qualified organization or supplier on an invoice which clearly shows (i) the name and address of the qualified organization or supplier to which such systems were distributed; (ii) the date of distribution; (iii) the serial number of each such system; and (iv) any other information with respect to electronic games of chance systems as the Board may prescribe by regulation.

The Department’s Rules & Regulations must be amended to incorporate the implementation of the “electronic games of chance systems”.

### Substance

*Please detail any changes that will be proposed. For new regulations, include a summary of the proposed regulatory action. Where provisions of an existing regulation are being amended, explain how the existing regulation will be changed.*

11VAC15-31-10 is being amended to include changes made in the Definition section of § 18.2-340.16 of the Code of Virginia. 11VAC15-31-20, 11VAC15-31-30, 11VAC15-31-40, 11VAC15-31-50 and 11VAC15-31-60 are being amended to include legislative changes made in § 18.2-340.34 of the Code of Virginia.

### Alternatives

*Please describe all viable alternatives to the proposed regulatory action that have been or will be considered to meet the essential purpose of the action. Also, please describe the process by which the agency has considered or will consider other alternatives for achieving the need in the most cost-effective manner.*

The agency has conducted informal meetings and received suggestions, for regulation changes, from several industry experts. This was an attempt to gain an understanding for the types of devices available and how they related to the Commonwealth’s structure. The agency has been working with the Office of the Attorney General and the contracted vendor for recommendations and options for implementing these devices. The Virginia Information Technology Agency has

also been contacted for guidance on how the “electronic submission” of data can be achieved for these devices.

**Public participation**

*Please indicate the agency is seeking comments on the intended regulatory action, to include ideas to assist the agency in the development of the proposal and the costs and benefits of the alternatives stated in this notice or other alternatives. Also, indicate whether a public hearing is to be held to receive comments on this notice.*

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The agency is seeking comments on the intended regulatory action, including but not limited to 1) ideas to assist in the development of a proposal, 2) the costs and benefits of the alternatives stated in this background document or other alternatives and 3) potential impacts of the regulation. The agency is also seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) probable effect of the regulation on affected small businesses, and 3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit comments may do so via the Regulatory Townhall website, [www.townhall.virginia.gov](http://www.townhall.virginia.gov), or by mail, email or fax to Betty Bowman, Division of Charitable Gaming, Department of Agriculture & Consumer Services, 101 N. 14<sup>th</sup> Street, 17<sup>th</sup> Floor, Richmond, VA 23219. email: [Betty.Bowman@DCG.Virginia.Gov](mailto:Betty.Bowman@DCG.Virginia.Gov) fax: (804) 786-1079). Written comments must include the name and address of the commenter. In order to be considered comments must be received by the last day of the public comment period.

The agency intends to hold a public hearing on the proposed action after publication in the Virginia Register. Both oral and written comments may be submitted at that time.

**Participatory approach**

*Please indicate, to the extent known, if advisers (e.g., ad hoc advisory committees, technical advisory committees) will be involved in the development of the proposed regulation. Indicate that 1) the agency is not using the participatory approach in the development of the proposal because the agency has authorized proceeding without using the participatory approach; 2) the agency is using the participatory approach in the development of the proposal; or 3) the agency is inviting comment on whether to use the participatory approach to assist the agency in the development of a proposal.*

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The agency has conducted informal meetings and received suggestions, for regulation changes, from several industry experts.

**Family impact**

*Assess the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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These changes should not erode the authority and rights of parents in the education, nurturing, and supervision of their children. Any proposed changes will not encourage or discourage economic self-sufficiency, self-pride, the assumption of responsibility or strengthen or erode the marital commitment, or increase or decrease disposable family income; these are all controlled by the gaming participants. The Department will consider any comments on the impact on families as part of the regulatory process.